•						
Ta 151326/134	6	Pego 143 of 159 2021-05-06 17 48 35 G	ALAMEDA COUNTY			
			JUN 2 2 2021			
	1					
	2	·	CLERK OF THE SUPERIOR COURT			
ett timelbussimmelbilden bines bistelin			Deputy			
·	4					
	5					
	6					
	7					
9		SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF ALAMEDA				
						10
	11	Plaintiff,	[PROPOSED] CORRECTED			
	12	V.	JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65			
	13 14	BASE CULTURE, INC., a Florida corporation, SPROUTS FARMERS MARKET, INC., a	SETTLEMENT AND CONSENT JUDGMENT AS TO DEFENDANT			
	15	Delaware corporation, and DOES 1 through 100,	BASE CULTURE, INC.			
	16	inclusive,	Date: June 9, 2021			
	17	Defendants.	Time: 2:30 p.m. Dept.: 518			
	18		Judge: Ilon. Dennis Ilayashi			
	19		Case Filed: January 20, 2021 Trial Date: None set			
	20	Plaintiff Environmental Health Advisory				
	21	Plaintiff Environmental Health Advocates, Inc. and Defendant Base Culture, Inc. agreed through their respective counsel to enter judgment pursuant to the terms of their settlement in the				
23		form of a stipulated judgment ("Consent Judgment"). This Court issued an Order approving the Proposition 65 Settlement and Consent Judgment on June 1000				
i	24	[Rest of page intentionally left blank]				
	25					
,	26					
	27					
	28					
		[PROPOSED] CORRECTED JUDGM PROPOSITION 65 SETTLEMENT	IENT PURSUANT TO TERMS OF			

5/7/2021 2:38:52 Pri

"\coT

Fax 5

ing sarvar

1	IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Health and
2	Safety Code, section 25249.7(f)(4) and Code of Civil Procedure, section 664.6, judgment is
3	hereby entered in accordance with the terms of the Consent Judgment attached hereto as Exhibit
4	A .
5	By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement
6	under Code of Civil Procedure, section 664.6.
7	
8	IT IS SO ORDERED.
9	·
10	~ 1
11	Dated: 6/2 1/1
12	JUDGE OF THE SUPERIOR COURT
13	DENNIS HAYASHI mmag
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	;
27	
28	

EXHIBIT A

	1			
1	GLICK LAW GROUP, P.C.			
2	Noam Glick (SBN 251582) 225 Broadway, Suite 1900			
3	San Diego, California 92101 Tel: (619) 382-3400			
4	Fax: (619) 393-0154 Email: noam@glicklawgroup.com			
5	NICHOLAS & TOMASEVIC, LLP.	·		
6	Craig M. Nicholas (SBN 178444) Jake Schulte (SBN 293777)			
7	225 Broadway, Suite 1900 San Diego, California 92101			
8	Tel: (619) 325-0492 Fax: (619) 325-0496			
9	Email: cnicholas@nicholaslaw.org Email: jschulte@nicholaslaw.org			
10	Attorneys for Plaintiff			
11	Environmental Health Advocates, Inc.			
12	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
13	IN AND FOR THE COUNTY OF ALAMEDA			
14	ENVIRONMENTAL HEALTH	Case No. HG21086239		
15	ADVOCATES, INC., a California organization,	AMENDED [PROPOSED] CONSENT		
16	Plaintiff,	JUDGMENT		
17	V.	(Health & Safety Code § 25249.6 et seq.		
18	BASE CULTURE, INC., a Florida corporation, SPROUTS FARMERS	and Code Civ. Proc. § 664.6)		
19	MARKET, INC., a Delaware corporation, and DOES 1 through 100, inclusive,			
20	Defendants.			
21				
22				
23	•			
24				
25				
26				
27	 			
28				

1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff"), on the one hand, and Base Culture, Inc. ("Base Culture" or "Defendant"), on the other hand, with EHA and Base Culture each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

EHA is a corporation organized in the state of California, acting in the interest of the general public. It seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

Base Culture employs ten or more individuals and is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* ("Proposition 65").

1.4 General Allegations

EHA alleges that Base Culture manufactures, imports, sells, and distributes for sale almond butter products that expose consumers in California to acrylamide at levels that require a Proposition 65 warning. Further, EHA alleges that Base Culture knew of the exposure to acrylamide and therefore violated its duty to warn individuals in California. Base Culture denies the allegations as well as any wrongdoing.

1.5 Notices of Violation

On September 23, 2020, EHA served Base Culture, Sprouts Farmers Market, Inc., the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65. ("Initial Notice"). The Initial Notice alleged that Base Culture violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to acrylamide contained in its "Base Culture Maple Almond Butter."

On March 18, 2021, EHA served Base Culture, Sprouts Farmers Market, Inc., the California Attorney General, and all other required public enforcement agencies with an Amended 60-Day Notice

:

of Violation of Proposition 65. ("Amended Notice"). The Amended Notice included all varieties of Base Culture's almond butter products.

No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Initial Notice or Amended Notice (hereinafter, the "Notices").

1.6 "Covered Products" Description

The products covered by this Consent Judgment are almond butter including, but not limited to, "Original Almond Butter," "Cinnamon Almond Butter," "Gingerbread Almond Butter," "Maple Almond Butter," and "Chocolate Espresso Almond Butter," manufactured or processed by Base Culture that allegedly contain acrylamide and are imported, sold, shipped, delivered or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Products"), whether sold under the brand name Base Culture, or any other brand or private label at all grocery, retail, and other locations and sales channels, including on the Internet.

1.7 Complaint

On January 20, 2021, EHA filed a Complaint against Base Culture for the alleged violations of Proposition 65 that are the subject of the Notices ("Complaint").

1.8 No Admission

Base Culture denies the material factual and legal allegations of the Notices and Complaint and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including the Covered Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Base Culture's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Base Culture as to the allegations in the Complaint, that venue is proper in

the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.10 Effective Date and Compliance Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which the Court grants the motion for approval of this Consent Judgment, as discussed in Section 5. The Compliance Date is the date that is sixty (60) days after the Effective Date. In the event that Proposition 65 and its regulations are repealed or preempted as to food products, or are otherwise amended to exclude acrylamide in foods such as the Covered Products, then Base Culture shall have no further reformulation or warning obligations pursuant to this Consent Judgment.

2. <u>INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS</u>

2.1 Reformulation of Covered Products

Any Covered Products that Base Culture sells, imports, or distributes for sale in California on and after the Compliance Date shall not exceed 225 parts per billion ("ppb") for acrylamide, using tests performed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization, using LC-MS/MS (Liquid Chromatograph-Mass Spectrometry), unless such Covered Products comply with the warning requirements of Section 2.2.

2.2 Clear and Reasonable Warnings

For Covered Products that contain acrylamide in a concentration exceeding the ppb level set forth in Section 2.1 above, and which are manufactured and packaged for distribution for authorized sale or use in California on or after the Compliance Date, Base Culture shall provide one of the following Proposition 65 warnings:

Option 1:

WARNING: This product can expose you to chemicals including Acrylamide, which is known to the State of California to cause cancer, birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Option 2:

WARNING: Cancer and Reproductive Harm – www.P65Warnings.cs.gov

The word "WARNING" shall be displayed in all capital letters and bold print. This warning statement shall be prominently displayed on the packaging of the Covered Products, or on a placard, shelf tag, or sign provided that the statement is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual prior to sale. If the warning statement is displayed on the Covered Products' label, it must be set off from other surrounding information. The same warning shall be posted on any websites where Covered Products are sold into California. If subsequently enacted changes to Proposition 65 or its implementing regulations require the use of additional or different information on any warning specifically applicable to the Covered Products (the "New Safe Harbor Warning"), the Parties agree that the New Safe Harbor Warning may be utilized in place of or in addition to, as applicable, the warnings set forth in this Section.

2.3 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, the Covered Products that are manufactured on or prior to the Compliance Date shall be subject to release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligation of Base Culture, or any Releasees (if applicable), does not apply to Covered Products manufactured on or prior to the Compliance Date.

3. MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Base Culture shall pay fifty thousand dollars (\$50,000.00) in settlement and total satisfaction of all the claims referred to in the Notices, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of five thousand dollars (\$5,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of forty-five thousand dollars (\$45,000.00) pursuant to Code of Civil Procedure section 1021.5.

3.2 Civil Penalty

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid

1	to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining
2	twenty-five percent (25%) of the penalty paid to EHA individually.
3	All payments owed to EHA shall be delivered to the following address:
5	Environmental Health Advocates 225 Broadway, Suite 1900 San Diego, CA 92101
6	All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA
7	(Memo Line "Prop 65 Penalties") at the following addresses:
8	For United States Postal Service Delivery:
9	Mike Gyurics
10	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment
11	P.O. Box 4010 Sacramento, CA 95812-4010
12	For Federal Express 2-Day Delivery:
13	Mike Gyurics
14 15	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street Sacramento, CA 95814
16 17	Base Culture agrees to provide EHA's counsel with a copy of the check payable to OEHHA,
18	simultaneous with its penalty payments to EHA.
19	Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required.
	Relevant information is set out below:
20	• "Glick Law Group" (EIN: 47-1838518) at the address provided in Section 3.2(a)(i);
21	• "Nicholas & Tomasevic" (EIN: 46-3474065) at the address provided in Section 3.2(a)(i);
22	and
23	"Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA
2425	95814.
26	3.3 Attorneys' Fees and Costs
27	The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's
 วง	counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not

limited to investigating potential violations, bringing this matter to Base Culture's attention, as well as litigating and negotiating a settlement in the public interest.

Base Culture shall provide their payment to EHA's counsel in two checks, divided equally, payable to Glick Law Group, PC (\$22,500) and Nicholas & Tomasevic, LLP (\$22,500) respectively. The addresses for these two entities are:

> Noam Glick Glick Law Group 225 Broadway, 19th Floor San Diego, CA 92101

Craig Nicholas Nicholas & Tomasevic, LLP 225 Broadway, 19th Floor San Diego, CA 92101

3.4 **Timing**

The above-mentioned checks will be issued as follows:

Within ten (10) days of the Effective Date: Base Culture will issue the civil penalty checks to EHA (\$1,250) and OEHHA (\$3,750); as well as the first installment payment of EHA's attorneys' fees and costs totaling \$5,000 - with \$2,500 issued to Nicholas & Tomasevic, LLP and \$2,500 issued to Glick Law Group.

Within forty (40) days of the Effective Date: Base Culture will issue its second installment payment of EHA's attorneys' fees and costs totaling \$10,000 - with \$5,000 issued to Nicholas & Tomasevic, LLP and \$5,000 issued to Glick Law Group.

Within seventy (70) days of the Effective Date: Base Culture will issue its third installment payment of EHA's attorneys' fees and costs totaling \$10,000 - with \$5,000 issued to Nicholas & Tomasevic, LLP and \$5,000 issued to Glick Law Group.

Within one hundred (100) days of the Effective Date: Base Culture will issue its fourth installment payment of EHA's attorneys' fees and costs totaling \$10,000 - with \$5,000 issued to Nicholas & Tomasevic, LLP and \$5,000 issued to Glick Law Group.

27 ///

23

24

25

26

/// 28

9

13

12

15

14

17

16

18

19 20

21

22

23

24

2526

27 28 Within one hundred and thirty (130) days of the Effective Date: Base Culture will issue its fifth and final installment payment of EHA's attorneys' fees and costs totaling \$10,000 – with \$5,000 issued to Nicholas & Tomasevic, LLP and \$5,000 issued to Glick Law Group.

4. <u>CLAIMS COVERED AND RELEASED</u>

4.1 EHA's Public Release of Proposition 65 Claims

For any claim or violation arising under Proposition 65 alleging a failure to warn about exposures to acrylamide from Covered Products manufactured, imported, sold, or distributed by Base Culture prior to the Compliance Date, EHA, acting for the general public, releases Base Culture of any and all liability arising under Proposition 65. This includes Base Culture's owners, parents, subsidiaries, affiliated entities under common ownerships, its directors, officers, agents, employees, attorneys, and each entity to whom Base Culture directly or indirectly distributes or sells Covered Products, including but not limited to downstream distributors, wholesales, customers, retailers, franchisees, cooperative members and licensees, (collectively, the "Releasees"). Releasees include defendants, their parents, and all subsidiaries and affiliates thereof and their respective employees, agents, and assigns that sell Base Culture's Covered Products. Compliance with the terms of this Consent Judgment constitutes compliances with Proposition 65 with respect to the alleged or actual failure to warn about exposures to acrylamide from Covered Products manufactured, imported, sold, or distributed by Base Culture after the Compliance Date. This Consent Judgment is a full, final and binding resolution of all claims that were or could have been asserted against Base Culture and/or Releasees for failure to provide warnings for alleged exposure to acrylamide contained in Covered Products.

4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Base Culture and/or Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorney's fees, damages, losses, claims, liabilities, and demands of every

·,

///

nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to acrylamide in Covered Products manufactured, imported, sold, or distributed by Base Culture before the Compliance Date.

4.3 Base Culture's Release of EHA

Base Culture on its own behalf, and on behalf of Releasees as well as its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved by the Court within one year after it has been fully executed by the Parties, or by such additional time as the Parties may agree to in writing.

6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. **GOVERNING LAW**

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law, then Base Culture may provide written notice to EHA of any asserted change, and shall have no further injunctive obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected.

///

///

8. <u>NOTICE</u>

Unless otherwise specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

If to Base Culture:

If to EHA:

Jennifer M. Adams Amin Talati	Jake Schulte
Wasserman, LLP	Nicholas & Tomasevic, LLP
100 S. Wacker Dr. STE 2000	225 Broadway, 19th Floor
Chicago, IL 60606	San Diego, CA 92101

Any Party may, from time to time, specify in writing to the other, a change of address to which notices and other communications shall be sent.

9. <u>COUNTERPARTS; DIGITAL SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. POST EXECUTION ACTIVITIES

EHA agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any third-party may make, and appearing at the hearing before the Court if so requested.

11. MODIFICATION

This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

12. <u>AUTHORIZATION</u>

3

11

12.

13

14

26

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

13. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

14. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.

15 16 **AGREED TO: AGREED TO:** 17 March 25, 2021. Date: Date: March 26, 2021 18 Heidi Krauss 19 **ENVIRONMENTAL HEALTH** 20 ADVOCATES, INC. 21 22 23 IT IS SO ORDERED.

11

JUDGE OF THE SUPERIOR COURT

Case Number HG21086239
Case Environmental Health Advocates, Inc. vs Base Culture, Inc.

CLERK'S CERTIFICATE OF MAILING (CCP 1013a)

I certify that the following is true and correct:

I am a Deputy Clerk employed by the Alameda County Superior Court. I am over the age of 18 years. My business address is 24405 Amador Street, Hayward, California 94544. I served this Corrected Judgment Pursuant To Terms Of Proposition 65 Settlement And Consent Judgment As To Defendant Base Culture, Inc. by placing copies in envelope(s) addressed as shown below and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Hayward, California, following standard court practices.

NICHOLAS & TOMASEVIC, LI Craig M. Nicholas (SBN 178444 Jake Schulte (SBN 293777) 225 Broadway, Suite 1900 San Diego, CA 92101

GLICK LAW GROUP, P.C. Noam Glick (SBN 251582) 225 Broadway, Suite 1900 San Diego, CA 92101

Jennifer M.S. Adams, Bar No. 319347 AMIN TALATI WASSERMAN A Limited Liability Partnership 100 South Wacker Drive, Suite 2000 Chicago, IL 60606

Date: 06/22/2021

Executive Officer/Clerk of the Superior Court

Melvyn Gonzales, Deputy Clerk